

FISCAL NOTE

HB 2685 - SB 2976

February 14, 2008

SUMMARY OF BILL: Encourages the Department of Education (DOE) to require local education agencies to offer driver's education courses by the 2012-2013 school year.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – \$32,165,330/FY12-13 and
Succeeding Years**

**Decrease Local Expenditures – Exceeds \$1,000,000/FY12-13 and
Succeeding Years**

Assumptions:

- According to DOE, driver's education programs will be fully funded by the state and not funded under the BEP. No local expenditures will be required.
- Driver's education is currently offered as an elective in grades 10-12. Electives are not taught by full-time driver's education teachers. In FY08-09, it is estimated that there will be 166,096 students in grades 10-12. Estimated growth of high school population is approximately 1% per year. In 2012-2013 grades 10-12 will have an estimated population of 174,400 students ($166,096 \times 1.05 = 174,400$). Each grade will have approximately 58,133 students ($174,400/3 = 58,133$). Each driver's education class will be limited to 15 students per class period.
- Driver's education will be a one-semester course taught five periods a day. 387 teachers required ($58,133 \text{ students}/15 \text{ per class}/5 \text{ periods a day}/2 \text{ semesters} = 387$).
- Average salary will be \$38,000. 387 teachers will cost \$14,706,000 for salary ($\$38,000 \times 387 = \$14,706,000$). FICA and retirement @ 21.27% = \$3,127,966. Insurance per teacher will be approximately \$1,788,714 ($\$4,622 \text{ per teacher} \times 387 = \$1,788,714$). Cost for salary plus benefits is estimated to be \$19,622,680 ($\$14,706,000 + \$3,127,966 + \$1,788,714 = \$19,622,680$).
- Liability insurance, gas, and other classroom supplies will cost approximately \$250 per student ($\$250 \times 58,133 = \$14,533,250$).

- According to DOE, two new state positions will be needed to administer the program at a total cost of \$109,400 for salary and benefits.
- Currently, a portion of LEA driver's education costs is funded through a portion of criminal and civil state litigation fees that total approximately \$1,500,000 per year. Money is divided among the approximately 80-85 counties that currently provide driver's education. This money will still be available as a supplement to additional state expenditures. Currently, LEAs that provide driver's education incur all costs above the supplemental payment. It is assumed that shifting to state funding will result in a decrease in LEA expenditures exceeding \$1,000,000.
- Total cost for driver's education in 2012-2013 will be \$34,265,330 (\$19,622,680 + \$14,533,250 + \$109,400 = \$34,265,330). \$34,265,330 minus the \$1,500,000 supplement will be \$32,765,330 (\$34,265,330 - \$1,500,000 = \$32,765,330).
- State funded driver's education under this bill will be implemented in the 2012-2013 school year.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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